

- (1) Make findings and recommendations for a new formula budget computation for the Basic Skills Block Grant, which has not been reviewed for at least two decades and may be impacted by potential changes in the allocation of federal funds for literacy education through the Workforce Investment Act, Title II;
- (2) Consider whether funding for equipment and instructional resources should be incorporated into the FTE funding formula;
- (3) Make findings and recommendations regarding the appropriateness of adjusting the "Other Costs" factors in the Instructional and Institutional Support formulas; and
- (4) Review the Institutional Support formula to determine whether funding is appropriately allocated between the Base Allotment and Enrollment Allotment.

The Fiscal Research Division shall report the results of its study to the Joint Legislative Education Oversight Committee and to the chairs of the Senate Committee on Appropriations/Base Budget and the House of Representatives Appropriations Committee by April 15, 2008.

REALIGNMENT OF STATE AID ALLOCATIONS

SECTION 8.9. The State Board of Community Colleges shall examine new State Aid allocation options that more closely align the allocation and expenditure of State-appropriated resources. The State Board shall realign the 2007-2008 formula budget computation to incorporate the Academic Support Supplement into the Institutional Support Formula.

COMMUNITY COLLEGE FACILITIES AND EQUIPMENT FUNDS

SECTION 8.10.(a) Funds in the amount of fifteen million dollars (\$15,000,000) are appropriated in section 2 of this act for the 2007-2008 fiscal year to the Community College Facilities and Equipment Fund. These funds shall be used to award grants to community colleges for facility and equipment needs. The Community Colleges System Office, in consultation with the State Board of Community Colleges, shall develop a competitive grant application process and guidelines for facility or equipment needs. The State Board of Community Colleges shall award grants on the merit of the applications received. Priority shall be given to projects that (i) are consistent with the college's strategic plan, (ii) have a high potential for promoting economic growth, and (iii) did not receive a grant during the 2006-2007 fiscal year. Also, projects shall be distributed geographically throughout the State. No individual grant may exceed the sum of one million dollars (\$1,000,000).

These grants shall be awarded on a matching basis of one State dollar (\$1.00) for every one non-State dollar (\$1.00).

SECTION 8.10.(b) Beginning September 1, 2007, the Community Colleges System Office shall submit a report to the Office of State Budget and Management and the Fiscal Research Division containing the following information about each grant that was awarded: (i) the name of the community college; (ii) a description of the project; (iii) the project location; (iv) the cost-benefit analysis conducted by the Community Colleges System Office and the rationale for awarding the grant; and (v) the amount of the grant.